

SENATE BILL 1026

B2

2lr3140
CF HB 1378

By: **Senator Edwards**

Introduced and read first time: February 22, 2012

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Allegany County – Allegany Museum**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$350,000,
4 the proceeds to be used as a grant to the Board of Directors of the Allegany
5 Museum, Inc. for certain development or improvement purposes; providing for
6 disbursement of the loan proceeds, subject to a requirement that the grantee
7 provide and expend a matching fund; requiring the grantee to grant and convey
8 a certain easement to the Maryland Historical Trust; establishing a deadline for
9 the encumbrance or expenditure of the loan proceeds; and providing generally
10 for the issuance and sale of bonds evidencing the loan.

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
12 MARYLAND, That:

13 (1) The Board of Public Works may borrow money and incur indebtedness on
14 behalf of the State of Maryland through a State loan to be known as the Allegany
15 County – Allegany Museum Loan of 2012 in a total principal amount equal to the
16 lesser of (i) \$350,000 or (ii) the amount of the matching fund provided in accordance
17 with Section 1(5) below. This loan shall be evidenced by the issuance, sale, and
18 delivery of State general obligation bonds authorized by a resolution of the Board of
19 Public Works and issued, sold, and delivered in accordance with §§ 8–117 through
20 8–124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

21 (2) The bonds to evidence this loan or installments of this loan may be sold
22 as a single issue or may be consolidated and sold as part of a single issue of bonds
23 under § 8–122 of the State Finance and Procurement Article.

24 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
25 and first shall be applied to the payment of the expenses of issuing, selling, and
26 delivering the bonds, unless funds for this purpose are otherwise provided, and then
27 shall be credited on the books of the Comptroller and expended, on approval by the

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Board of Public Works, for the following public purposes, including any applicable
2 architects' and engineers' fees: as a grant to the Board of Directors of the Allegany
3 Museum, Inc. (referred to hereafter in this Act as "the grantee") for the design,
4 construction, renovation, and capital equipping of the Allegany Museum, located in
5 Cumberland.

6 (4) An annual State tax is imposed on all assessable property in the State in
7 rate and amount sufficient to pay the principal of and interest on the bonds, as and
8 when due and until paid in full. The principal shall be discharged within 15 years
9 after the date of issuance of the bonds.

10 (5) Prior to the payment of any funds under the provisions of this Act for the
11 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
12 matching fund. No part of the grantee's matching fund may be provided, either
13 directly or indirectly, from funds of the State, whether appropriated or
14 unappropriated. No part of the fund may consist of funds expended prior to the
15 effective date of this Act. The fund may consist of real property or in kind
16 contributions. In case of any dispute as to the amount of the matching fund or what
17 money or assets may qualify as matching funds, the Board of Public Works shall
18 determine the matter and the Board's decision is final. The grantee has until June 1,
19 2014, to present evidence satisfactory to the Board of Public Works that a matching
20 fund will be provided. If satisfactory evidence is presented, the Board shall certify this
21 fact and the amount of the matching fund to the State Treasurer, and the proceeds of
22 the loan equal to the amount of the matching fund shall be expended for the purposes
23 provided in this Act. Any amount of the loan in excess of the amount of the matching
24 fund certified by the Board of Public Works shall be canceled and be of no further
25 effect.

26 (6) (a) Prior to the issuance of the bonds, unless the Maryland Historical
27 Trust determines that the property to be assisted by the grant is not significant, is
28 significant only as a contributing property to a historic district listed in the Maryland
29 register of historic properties, is a type that is already adequately represented among
30 the Trust's existing easement properties, or is already subject to a perpetual historic
31 preservation easement acceptable to the Trust, the grantee shall grant and convey to
32 the Maryland Historical Trust a perpetual preservation easement to the extent of its
33 interest:

34 (i) On the land or such portion of the land acceptable to the
35 Trust; and

36 (ii) On the exterior and interior, where appropriate, of the
37 historic structures.

38 (b) If the grantee or beneficiary of the grant holds a lease on the land
39 and structures, the Trust may accept an easement on the leasehold interest.

1 (c) The easement must be in form and substance acceptable to the
2 Trust, and the extent of the interest to be encumbered must be acceptable to the Trust,
3 and any liens or encumbrances against the land or the structures must be acceptable
4 to the Trust.

5 (7) The proceeds of the loan must be expended or encumbered by the Board
6 of Public Works for the purposes provided in this Act no later than June 1, 2019. If any
7 funds authorized by this Act remain unexpended or unencumbered after June 1, 2019,
8 the amount of the unencumbered or unexpended authorization shall be canceled and
9 be of no further effect. If bonds have been issued for the loan, the amount of
10 unexpended or unencumbered bond proceeds shall be disposed of as provided in
11 § 8–129 of the State Finance and Procurement Article.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 June 1, 2012.